GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:162
ANSWERED ON:25.04.2016
Concessions to Special Economic Zones
Puttaraju Shri C.S.;Sathyabama Smt. V.;Senthilnathan Shri PR.;Sundaram Shri P.R.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of concessions being provided/proposed to be provided by the Government to Special Economic Zones (SEZs);
(b) whether the Government has taken any decision on Minimum Alternate Tax (MAT), Dividend Distribution Tax (DDT) and dual use of infrastructure in SEZs and if so, the details thereof and if not, the reasons therefor;
(c) whether the exports from SEZs have declined despite withdrawal of MAT and DDT during the last three years and the current year and if so, the reasons therefor along with the remedial steps taken by the Export Promotion Council for EoUs and SEZs for enhancing exports as well as resolving issues concerning EoUs and SEZs;
(d) whether the Government has devised policies and strategies to develop both public and public sector SEZs to promote Food Processing and Packaging sector, IT/ ITeS, Automobiles and Auto ancillaries manufacturing, Leather Sector, Electronic and Hardware and Software services and Textiles sector;
(e) if so, the details thereof along with the results achieved in these sectors during the last five years; and
(f) whether the Government has focussed on the improvement of quality and value of export products from SEZs in the country and if so, the details thereof, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) The fiscal concessions and duty benefits allowed to Special Economic Zones (SEZs) are in-built into the SEZs Act, 2005 and Rules thereunder. These exemptions are uniformly applicable to all SEZs and are in the nature of incentives for export and are consistent with the principles that guide export promotion initiatives of the Government in general.

(b) Ministry of Finance has withdrawn the exemption from Minimum Alternate Tax (MAT) to SEZ Developers and Units with effect from 1st April, 2012, and also the exemption of Dividend Distribution Tax (DDT) in the case of SEZ Developers under the Income-tax Act for dividends declared, distributed or paid after 1st June, 2011. In order to facilitate creation of Social & Commercial infrastructure and other facilities in Non-Processing Area (NPA) of SEZs, Government vide notification G.S.R. 5(E) dated 02.01.2015 has allowed dual use of facilities in NPA by both SEZ and non-SEZ entities.

(c) Exports from the Special Economic Zones (SEZs) during the last three years are as under:

Years Exports
(Rs. in crore) Growth/decline over previous year
2013-2014 4,94,077 4%
2014-2015 4,63,770 -6.13%
2015-2016
(April to December, 2015) 3,41,685
-1.89% (corresponding period of previous financial year 2014-15)

Export Promotion Council for EoUs and SEZs (EPCES) has been undertaking several activities for enhancing exports as well as resolving issues concerning EoUs and SEZs. During the year 2015-16, a number of meetings with Hon'ble Minister, Commerce and Industry and Senior Officers of Department of Commerce have been held to resolve the issues concerning to SEZs.

(d)-(e) The Government, on the basis of inputs/suggestions received from stakeholders on the policy and operational framework of the SEZ Scheme, periodically reviews the policy and operational framework of SEZs and takes necessary measures so as to facilitate speedy and effective implementation of SEZ policy. The exports from Food and Agro, IT/ITeS, Automobiles and Auto ancillaries manufacturing, Leather, Footwear and Sports goods Sector, Electronic and Hardware and Software services and Textiles sector SEZs during the last five years is as under:

Sl. No. Sector 2011-12 2012-13 2013-14 2014-15 2015-16
(as on 31.12.15)
1 Computer/Electronic software (IT/ITeS) 81017.11 140306.71 184093.93 212349.15 177756.81
2 Automobiles and Auto ancillaries manufacturing 761 849 1154 1253 1720
3 Electronics hardware 20454.40 20936.75 16460.71 7181.65 3444.82
4 Leather, footwear and sports goods 516.35 896.96 1654.34 1343.39 1708.02
5 Food and Agro Industry 729.71 805.95 880.71 1132.31 1581.94
6 Textiles and garments 2938.08 4342.87 4213.86 4294.66 3480.33

(f) The State-wise exports from SEZs during the last three years is at Annexure-I.

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Annexure-I to the Lok Sabha Unstarred Question No. 162 for 25th April, 2016

State-wise breakup of Exports from SEZs during last three years

(Rs. in crore)

Sl. No.	State	2013-14	2014-15	2015-16 (Till December 2015)
1	Andhra Pradesh	33291	7887.61	7599.06
2	Chandigarh	1778.15	2084.24	1896.38
3	Chhattisgarh	1.84	3.19	0.00
4	Gujarat	225042	179791.75	106568.74
5	Haryana	8740.43	11139.50	10574.66
6	Karnataka	51372.88	55197.83	41088.64
7	Kerala	8003.64	6540.20	5213.88
8	Madhya Pradesh	2984.23	4009.46	3579.48
9	Maharashtra	56399.23	62535.90	51777.29
10	Odisha	386.09	596.66	752.03
11	Punjab	136.72	290.79	235.34
12	Rajasthan	2036.59	2091.33	1649.17
13	Tamil Nadu	71417	68103.63	55478.96
14	Telangana	0	37107.89	32966.19
15	Uttar Pradesh	16282.42	16516.77	13754.51
16	West Bengal	16204.27	9872.79	8550.41
TOTAL		494077	463770	341684.75

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